## AT&T Eyes FirstNet Amid Views Verizon Is Front-Runner

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AT&T (NYSE:  $\underline{T}$ ) says that it's interested in bidding for the FirstNet contract — the federal government's plan to create a nationwide wireless broadband network dedicated to public safety.

Some analysts view Verizon Communications (NYSE: <u>VZ</u>) as the <u>front-runner</u> for the FirstNet build-out. A request for proposals (RFP) could be released as soon as this month, with a FirstNet build-out starting in 2017.

John Donovan, AT&T's senior executive vice president of <u>technology</u> and operations, said at a Citigroup conference in Las Vegas that AT&T views the FirstNet contract "as a rare event."

"It's a good opportunity for us," Donovan said. "The timing of the spectrum, the position of the spectrum, the customer opportunity that comes with it — it's a rare event, so we're going to pursue it aggressively."

FirstNet will use airwaves in the D block of the 700 MHz frequency band.

The government will award the FirstNet contract after the "Broadcast Incentive Auction," which is slated to start on March 29 if the government's timetable proceeds as planned. The auction could free up an estimated 60 MHz to 80 MHz of prime, low-frequency radio spectrum that TV broadcasters own. Verizon and AT&T are expected to be bidders.

Congress has earmarked \$7 billion from the \$42 billion raised in the AWS-3 spectrum auction, which ended last January, to the FirstNet project.

FirstNet will be designed for first responders to use in emergencies. Analysts peg the entire project's costs at \$20 billion to \$30 billion. States can opt out of FirstNet.

Evercore ISI analyst Jonathan Schildkraut, in an October <a href="research">research</a> report, noted that FirstNet's board plans to accept only "national deployment" offers from companies responding to the RFP. That means that the government will not split the contract among the big four carriers — Verizon, AT&T,

(NYSE:

Sprint

and

S ) and T-Mobile US (NASDAQ: TMUS ).

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